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**U.S. SUBMITS WIDE-RANGING DEREGULATION PROPOSALS TO JAPAN**

United States Trade Representative Charlene Barshefsky today announced the release of a new U.S. Government submission containing more than 270 proposals for deregulation in Japan. The 52-page document contains numerous detailed deregulation proposals in the telecommunications, housing, financial services, medical devices and pharmaceuticals, energy, and automotive sectors. The U.S. submission also emphasizes structural issues such as distribution, competition policy, and transparency.

Many of the U.S. proposals build upon those announced by the United States and Japan in May under the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy. Others introduce significant new elements to the deregulation agenda. The United States believes that its submission should form the basis for agreement between the two Governments by the time of the G-8 Summit next June in Cologne, Germany.

The United States and Japan made a good start on our deregulation agenda during the first year under the Enhanced Initiative," said Ambassador Barshefsky, "but given the critical need to restore economic growth in Japan, it is essential that we make significant new progress over the coming year. By fully implementing measures already agreed upon, and taking further substantial deregulatory actions in other areas, Japan would begin to address the growing calls from within and beyond its borders for fundamental structural reforms in its economy."

Ambassador Barshefsky stressed that the entire world economy stood to benefit from Japanese action in this area. "Meaningful and timely regulatory reform," she said, "would reduce non-tariff barriers to trade, opening Japan's markets to its trading partners. Clearly, the prospects for economic recovery in Asia depend upon creating domestic demand-led growth in Japan. Deregulation is critical in meeting this goal. The Japanese economy is encumbered by a dense thicket of regulatory restrictions. Removal of these restrictions, coupled with effective macroeconomic policies, will help to restore domestic demand-led growth. The competition-enhancing effects of comprehensive deregulation will increase business and employment opportunities throughout Japan, and thereby improve the standard of living and long-term economic and financial security of the Japanese people."

Expert groups will meet later this month to discuss the new U.S. submission in detail. A Vice Ministerial meeting will be held in early November to review and advance the work of the experts so that the two Governments can reach agreement by the time of the June 1999 summit on further measures to deregulate the Japanese economy.

The fact sheet highlights the key deregulation proposals submitted to Japan today and, along with the report, is available on our web site: [www.ustr.gov](http://www.ustr.gov).